Col. J.M. Wonsik St. Paul District Engineer U.S. Army Corps of Engineers Army Corps of Engineers Centre 190 Fifth Street East St. Paul, MN 55101

RE: Crandon Mine Project: 94-01298-IP-DLB

Dear Colonel Wonsik:

As you are aware, the Crandon Mine Company (CMC) has proposed to open an underground zinc and copper mine in an area just south of Crandon, Wisconsin. This area is located within the pristine Wolf River Watershed. Due to the proposed location of this mine and the associated tailings disposal area, the U.S. Environmental Protection Agency (EPA) has several environmental concerns regarding this project. The EPA's concerns include the potential impacts of mine activities to local wetlands, creeks, lakes and associated aquatic habitats, as well as to federal trust resources such as wild rice crops.

To address the relationships of water-cycle related environmental concerns, EPA has proposed to apply a watershed model that will study and evaluate the interactions affecting aquatic resources within the Wolf River watershed, and to contribute this data to the federal Environmental Impact Statement in which the U.S. Army Corps of Engineers (COE) is developing. The schedule of this modeling effort depends highly on the acquisition of data in the correct format from CMC and from other sources and is expected to take approximately six months to one year to complete. COE can assist the EPA in this endeavor by supporting the modeling effort and, as the lead federal agency on this project, request the pertinent data needed for this study from CMC. EPA will coordinate these efforts with COE so as to avoid duplication with other studies such as COE's groundwater modeling (FEMWATER).

Attached, please find EPA's Position Paper regarding the watershed model. This paper explains the need for the study and the reasoning for it within the National Environmental Policy Act (NEPA) process. As always, EPA will be happy to provide assistance to COE on this project by providing reviews, comments and data to contribute to the federal NEPA process. If you have any questions or concerns regarding this letter or the attached, please give me a call, or contact Dan Cozza, EPA's Crandon Mine Project Manager, at (312) 886-7252 or Margaret Thielke, EPA Watershed Modeler at (312) 886-6683.

Sincerely,

Valdas V. Adamkus Regional Administrator

cc: Dave Ballman, COE Dan Cozza, EPA Margaret Thielke, EPA